

**The Town of North Hempstead  
Solid Waste Management Authority  
Investment Policy**

This Investment Policy of The Town of North Hempstead Solid Waste Management Authority (the “Authority”) shall apply to all operating funds, and other funds and all investment transactions involving operating funds, and other funds accounted for in the financial statements of the Authority. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy. This Investment Policy is intended to comply with the Public Authorities Law, and any other applicable laws of New York State.

**Delegation of Authority**

The responsibility for conducting investment transactions involving the Authority resides with the Chairman, Treasurer or other such officer so designated, under the direction and oversight of the Board of the Authority. Only the Chairman, Treasurer and those persons authorized by resolution or the Authority’s By-laws may invest public funds.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit of public funds or acting in a fiduciary capacity for the Authority, shall require the outside person to notify the Authority in writing, within thirty (30) days of receipt of all communication from its auditor of the outside person or any regulatory authority, of the existence of material weakness in the internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the Authority by the outside person.

The records of investment transactions made by or on behalf of the Authority are public records and are the property of the Authority whether in the custody of the Authority or in the custody of a fiduciary or other third party.

Under the direction and oversight of the Board of the Authority, the Chairman, Treasurer or other such officer so designated shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of the Authority responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statements and related reports on internal control structure of all outside persons performing any of the following for the Authority:

- (i) investing public funds of the Authority;
- (ii) advising on the investment of public funds of the Authority;
- (iii) directing the deposit or investment of public funds of the Authority; or
- (iv) acting in a fiduciary capacity for the Authority.

A bank, savings and loan association or credit union providing only depository services shall not be required to provide an audited financial statement and related report on its internal control structure.

## **Objectives**

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Authority shall be the following:

(i) Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective;

(ii) Liquidity: Maintaining the necessary liquidity to match expected liabilities and expenses is the second investment objective;

(iii) Return: Obtaining a reasonable return is a third investment objective.

## **Operative Policy**

The Authority shall conduct its investment activities involving all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Authority in a manner that complies with the Public Authorities Law of New York State.

Prior to making an investment of any operating funds, and other funds of the Authority, other than those associated with a bank, savings and loan association or credit union involving a depository relationship only, the Authority shall obtain at least three (3) bids and award the contract to the most responsible bidder whose bid most closely meets the objectives of this Investment Policy.

The Chairman, the Treasurer and all other officers, directors and employees of the Authority involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Nothing contained within this Policy however, shall prohibit the Chairman, the Treasurer or any other officer or director of the Board, or employee of the Authority from obtaining interests in mutual funds which may include, within its investment portfolio, bonds, debentures, notes or other evidence of indebtedness of the Authority; provided however, that the Authority's bonds, debentures, notes or other evidence of indebtedness may not make up more than ten percent (10%) of the mutual fund's total portfolio and the Chairman, the Treasurer, other officers or the Board, or employees may not exercise any discretion with respect to the investments made by the mutual fund company.

The Chairman, Treasurer or other such officer so designated shall submit to the Board an investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with budgetary expectations, if any.

This Investment Policy shall be reviewed and approved annually by the Board of the Authority.